Clear over clever

FINANCIAL MODELING

LECTURE SUMMARY

Covered in this lecture:

How a clear model looks

- What makes a model clear:

  - It's readable, with labels that are self-explanatory
  - The flow is logical and easy to follow
  - It's usable 12 months later
  - If you show it to anyone, they can figure out what you're doing and what your assumptions are

- It doesn't matter how you format the model, the point it to make it clear that you have different sections

- Separate the different calculations and logical steps

- Bigger and clearer is better than elegant but hard to use

See you next lecture!